Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contact Us

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The next release is July 13, '06

Weekly Highlights

Above-Average Weekly Inspections Needed To Reach 2005/06 Export Commitments. With 10 weeks remaining in the corn and soybean marketing year, the weekly inspections rate would have to average 36.3 million bushels (mbu) of corn and 7.2 mbu of soybeans to ship the balance of unshipped exports. This compares to a 3-year average weekly rate of 32.7 mbu of corn and 6.2 mbu of soybeans for the comparable period. Inspections for the week ending June 29 showed the weekly pace of 38.7 million bushels of corn and 5.3 million bushels of soybeans.

Unshipped Export Balances Are Significantly Higher Than Last Year. For the week ending June 22, 2006, unshipped balances of corn and soybeans continued to be significantly higher than last year at this time. **Unshipped balances of corn** —9.2 mmt—were almost 59 percent above last year. Unshipped balances of soybeans—1.95 mmt—were almost 46 percent above last year.

Ocean Rates Favor U.S. Gulf vs. PNW; Vessels Keeping Up With Strong Exports. During June, ocean freight rates were mixed, Gulf-to-Japan rates were down, and PNW-to-Japan rates were up. The Gulf-PNW spread is down compared to the previous year, favoring exports through the U.S. Gulf. **Year-to-date grain inspections** reflect a higher rate of exports through the Gulf than through the PNW. Fifty-seven U.S. Gulf vessels are due in during the next 10 days. This is 26.7 percent more than last year and 11.2 percent above the 4-year average.

Barge Shipments Surpass 1 Million Tons Per Week, Rates Increase For All Locations. Due to the high level of unshipped grain export balances, barge shipment volumes will likely remain high in the coming weeks. For the week ending July 1, southbound **barge grain shipments** totaled 1.02 million tons, 36 percent higher than the same week a year ago. This was the largest weekly volume since mid-December 2005. Total year-to-date shipments were 17.4 million tons, 6 percent ahead of last year. Barge freight rates for the week ending June 28 increased at all shipping locations. For the week ending July 1, 475 grain barges unloaded in New Orleans--up 8 percent from last week. There were 418 **upbound empty barges** at Mississippi River Locks 27, 34 more barges than last week.

Rail Deliveries To Port Reflect Increased Grain Exports. Total rail deliveries of grain to ports during the last 4 weeks were up 12 percent from last year. For the 4 weeks ending June 28, rail deliveries to **Mississippi Gulf ports** continue to boom, up 127 percent from the same period last year, due in part to increased Mississippi Gulf grain inspections. Rail deliveries to **Pacific Northwest ports** were 7 percent above the same 4 weeks last year and 46 percent above the 4-year average. Meanwhile, rail deliveries to the **Texas Gulf** were only 4 percent above the same 4 weeks last year, but 9 percent below the 4-year average. **Cross-border** rail grain deliveries to Mexico continued to weaken; they were 24 percent below the same 4 weeks last year and 14 percent below the 4-year average.

Grain Originations Up. **Grain rail carloads originated** for the week ending June 24 totaled 23,019 carloads, 15.3 percent higher than the same week last year and up 10 percent for the last 4 weeks compared to last year. In comparison, coal loadings were up 4.9 percent, crushed stone up 4 percent, total carload traffic up 2.1 percent, and intermodal up 7.9 percent for the week ending June 24.

Shippers Anticipate Tight Rail Capacity. Stronger and higher-than-normal secondary railcar market bids/offers for August-November delivery suggest that shippers still expect rail capacity for grain to be tight. Non-shuttle **secondary railcar market rates** for August-through-November delivery range from $54 below to $258 above the same week last year.

Fall Agricultural Transportation Outlook. Outlook for the fall agricultural transportation needs reflects a projection of relatively high corn and soybean crops, higher exports, and increased production of ethanol. On June 30, 2006, USDA revised the planted acreage estimates for 2006/07 crop year. Although corn-planted acres, at 79.4 million acres, were estimated to be down 3 percent from 2005, the estimate was up 2 percent from the March Prospective Plantings report. Soybean-planted acreage, at 74.9 million acres, was up 4 percent from 2005, but down 3 percent from the March Prospective Plantings report. Corn exports are projected to be up 6 percent in 2006/07 from last year, soybeans up 21 percent, and wheat down 10 percent. Corn use for ethanol is projected to increase by 34 percent from 2005/06.

Feature Article/Calendar

United States Has Relative Cost Advantage for Shipping Soybeans. Although soybean exports from Brazil are projected to exceed soybean exports from the United States during 2005/06 marketing year, the United States retains the competitive advantage in transportation costs. United States transportation costs for soybean exports represent a smaller percentage of total landed costs than Brazil's. Total transportation costs for soybean shipments decreased from both Brazil and the United States to Hamburg, Germany. However, United States transportation costs represent only about 20-21 percent of the landed cost, but Brazil's represent 20-44 percent (table 1).

Table 1-Quarterly costs of transporting soybeans from U.S. and Brazil to Hamburg, Germany

	2005 4th qtr.	2006 1st qtr.	Percent change	2005 4th qtr.	2006 1st qtr.	Percent change
	United States					
	Minneapolis, MN			**Davenport, IA**		
	--$/mt--		--%--	--$/mt--		--%--
Truck	10.06	9.42	-6.36	10.06	9.42	-6.36
Barge	36.71	25.38	-30.86	30.91	21.42	-30.71
Ocean[1]	22.81	19.53	-14.38	22.81	19.53	-14.38
Total transportation[2]	69.58	54.33	-21.91	63.78	50.37	-21.03
Farm Value[3]	207.11	202.34	-2.30	207.60	204.78	-1.36
Landed Cost	276.69	256.67	-7.23	271.38	255.15	-5.98
Transport % of landed cost	25.15	21.17		23.50	19.74	
	Brazil					
	Northwest RS[4] - Rio Grande[5]			**North MT[4] - Paranagua[5]**		
	--$/mt--		--%--	--$/mt--		--%--
Truck	13.20	13.54	2.58	80.86	84.65	4.69
Ocean[6]	55.23	37.06	-32.90	55.73	38.51	-30.90
Total transportation[2]	68.43	50.60	-26.06	136.59	123.16	-9.83
Farm Value[7]	206.36	202.56	-1.84	174.28	157.86	-9.42
Landed Cost	274.79	253.16	-7.87	310.87	281.02	-9.60
Transport % of landed cost	24.90	19.99		43.94	43.83	
	South GO[4] - Santos[5]			**North Center PR[4] - Paranagua[5]**		
	--$/mt--		--%--	--$/mt--		--%--
Truck	42.56	42.49	-0.16	21.25	19.41	-8.66
Ocean	56.73	39.51	-30.35	55.73	38.51	-30.90
Total transportation[2]	99.29	82.00	-17.41	76.98	57.92	-24.76
Farm Value[7]	184.89	180.71	-2.26	214.81	206.88	-3.69
Landed Cost	284.18	262.71	-7.56	291.79	264.80	-9.25
Transport % of landed cost	34.94	31.21		26.38	21.87	

[1]Source: The Baltic Exchange; [2]Excludes handling charges
[3]Source: USDA/NASS
[4]Producing regions: RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná
[5]Export ports
[6]Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS
[7]Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

U.S. ocean freight rates decreased 14 percent during the 1st quarter, mostly due to a sharp reduction in barge rates, which decreased 31 percent from the 4th quarter 2005. U.S. trucking rates also decreased during this period. However, Brazil ocean freight rates fell even more—by 30-33 percent during the 1st quarter.

Similarly, soybean transportation costs from the United States to Shanghai, China, decreased 21-22 percent during the 1st quarter (table 2).

Rates decreased across all transportation modes during this period. Although 4th quarter rates were not available for the Brazil-Shanghai route, there is nothing to indicate that trends would be different from those on the Brazil to Hamburg route (table 1). The total transportation cost of shipping soybeans from Brazil to Shanghai represent 23-46 percent of the landed cost, while the United States transportation cost represent about 25-26 percent of the landed cost.

The government of Brazil has recently announced an emergency aid package in the form of price supports aimed at alleviating Brazilian farmers' indebtedness and improving the adverse agricultural situation caused by the strong Brazilian currency (real), and high production and transportation costs.

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Table 2-Quarterly costs of transporting soybeans from U.S. and Brazil to Shanghai, China

	2005 4th qtr.	2006 1st qtr.	Percent change	2005 4th qtr.	2006 1st qtr.	Percent change
	United States					
	Minneapolis, MN			**Davenport, IA**		
	--$/mt--		--%--	--$/mt--		--%--
Truck	10.06	9.42	-6.36	10.06	9.42	-6.36
Barge	36.71	25.38	-30.86	30.91	21.42	-30.71
Ocean[1]	43.69	35.71	-18.27	43.69	35.71	-18.27
Total transportation[2]	90.46	70.51	-22.05	84.66	66.55	-21.40
Farm Value[3]	207.11	202.34	-2.30	207.60	204.78	-1.36
Landed Cost	276.69	272.85	-1.39	292.26	271.33	-7.16
Transport % of landed cost	32.69	25.84		28.97	24.53	
	Brazil					
	Northwest RS[4] - Rio Grande[5]			**North MT[4] - Paranagua[5]**		
	--$/mt--		--%--	--$/mt--		--%--
Truck		13.54			84.65	
Ocean[6]		48.63			49.13	
Total transportation[2]		62.17			133.78	
Farm Value[7]		202.56			157.86	
Landed Cost		264.73			291.64	
Transport % of landed cost		23.48			45.87	
	South GO[4] - Santos[5]			**North Center PR[4] - Paranagua[5]**		
	--$/mt--		--%--	--$/mt--		--%--
Truck		42.49			19.41	
Ocean		50.13			49.13	
Total transportation[2]		92.62			68.54	
Farm Value[7]		180.71			206.88	
Landed Cost		273.33			275.42	
Transport % of landed cost		33.89			24.89	

[1]Source: The Baltic Exchange; [2]Excludes handling charges
[3]Source: USDA/NASS
[4]Producing regions: RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná
[5]Export ports
[6]Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS
[7]Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
07/05/06	194	224	246	179	223
06/28/06	192	158	231	173	215

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

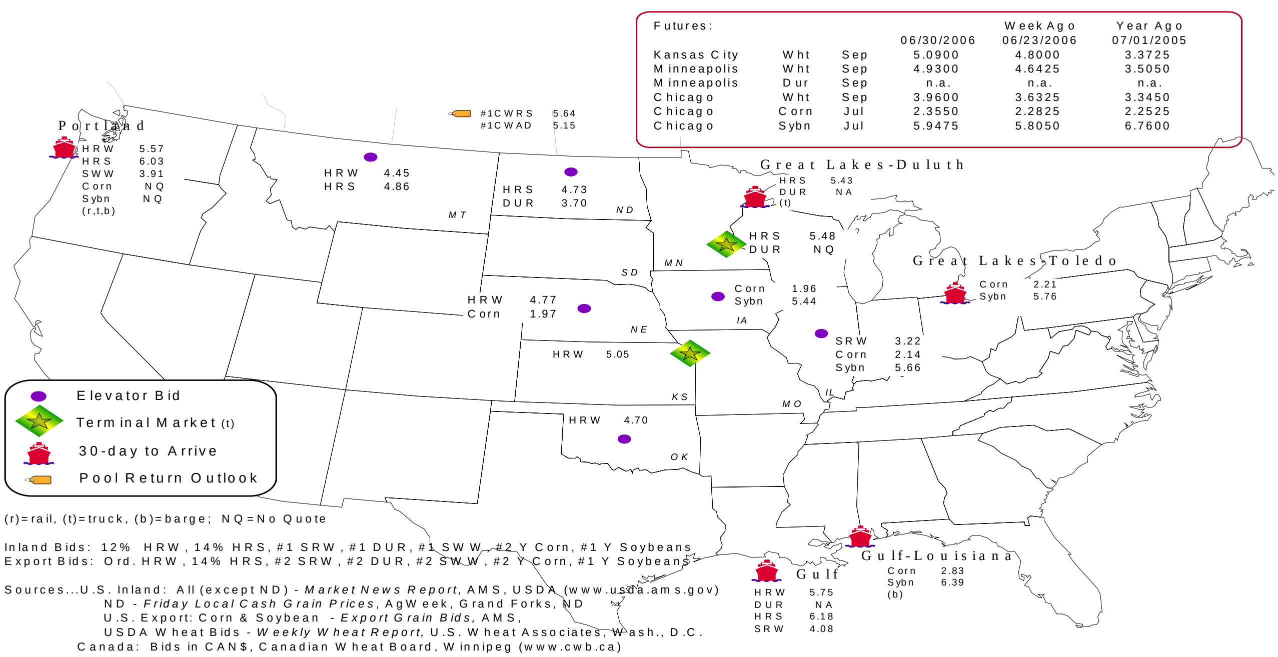
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	6/30/2006	6/23/2006
Corn	IL--Gulf	-0.69	-0.63
Corn	NE--Gulf	-0.86	-0.82
Soybean	IA--Gulf	-0.95	-0.90
HRW	KS--Gulf	-0.70	-0.87
HRS	ND--Portland	-1.30	-1.43

Note: nq = no quote
Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1
Grain bid summary



Rail Transportation

Table 3
Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf [2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
6/28/2006[p]	1,227	1,639	543	4,220	114	7,743
6/21/2006[r]	969	1,256	437	4,282	317	7,261
2006 YTD	39,636	56,145	23,114	106,589	11,501	236,985
2005 YTD	25,729	42,535	33,366	113,960	7,433	223,023
2006 YTD as % of 2005 YTD	154	132	69	94	155	106
Last 4 weeks as % of 2005 [3]	227	104	76	107	342	112
Last 4 weeks as % of 4-year avg.[3]	n/a	91	86	146	135	n/a
Total 2005	50,696	99,079	61,151	224,079	15,690	450,695
Total 2004	41,957	93,500	58,843	208,334	10,957	407,143

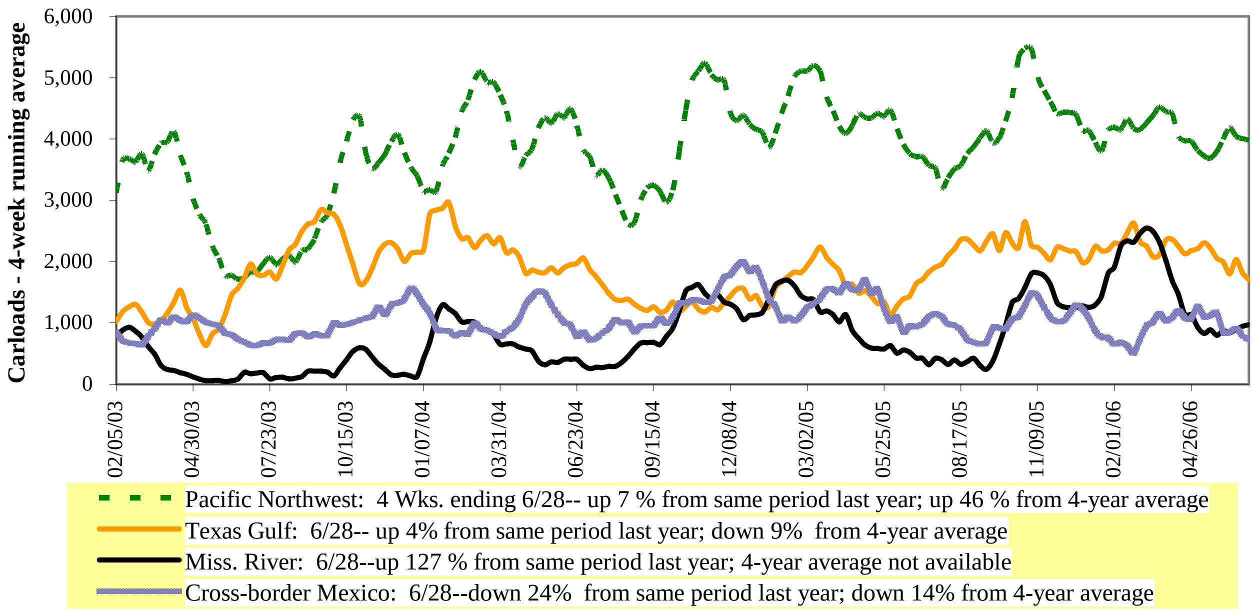
[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2005 and prior 4-year average; [4] Includes 53rd week.

YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 33 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

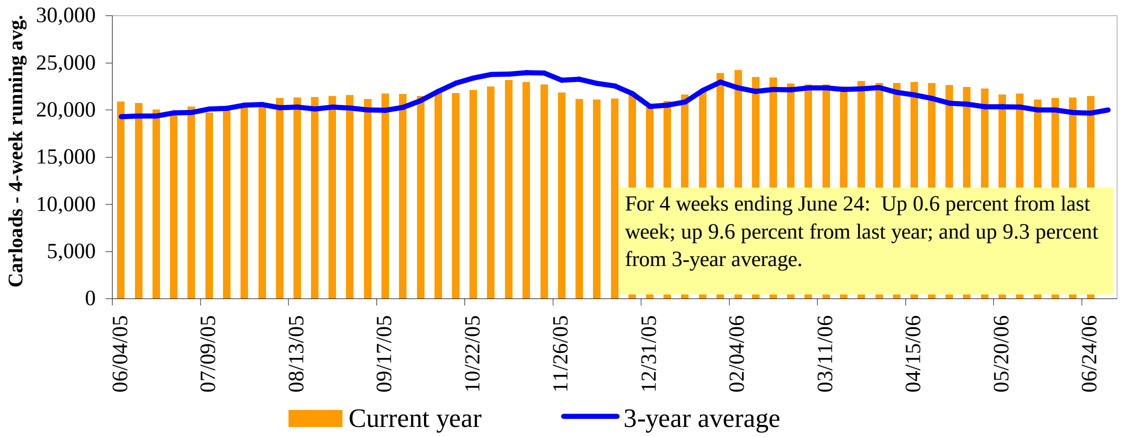
	East		West			U.S. total	Canada	
Week ending	**CSXT**	**NS**	**BNSF**	**KCS**	**UP**		**CN**	**CP**
06/24/06	2,920	3,229	10,348	638	5,884	23,019	4,979	4,191
This week last year	2,914	3,406	7,471	629	5,543	19,963	3,746	3,700
2006 YTD	77,108	80,384	243,281	14,673	149,904	565,350	116,871	108,240
2005 YTD	74,907	83,585	228,639	15,242	149,562	551,935	104,974	99,482
2006 YTD as % of 2005 YTD	103	96	106	96	100	102	111	109
Last 4 weeks as % of 2005[1]	109	98	121	107	100	110	132	111
Last 4 weeks as % of 3-yr avg.[1]	108	96	128	124	93	109	120	105
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

[1]As a percent of the same period in 2005 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	**Delivery period**									
7/1/2006	**Aug-06**	**Aug-05**	**Sep-06**	**Sep-05**	**Oct-06**	**Oct-06**	**Nov-06**	**Nov-06**	**Dec-06**	**Dec-06**
BNSF[3]										
COT grain units	no offer	no offer	190	no offer	335	no offer	183	no offer	160	no offer
COT grain single-car[5]	0. .60	n/a	5. .117	n/a	13. .175	n/a	0. .141	n/a	0. .90	n/a
UP[4]										
GCAS/Region 1	no bid	1	no bid	1	no offer	no offer	no offer	no offer	no offer	no offer
GCAS/Region 2	no offer	8	144	51	no offer	no offer	no offer	no offer	no offer	no offer

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; N. grain and S. grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

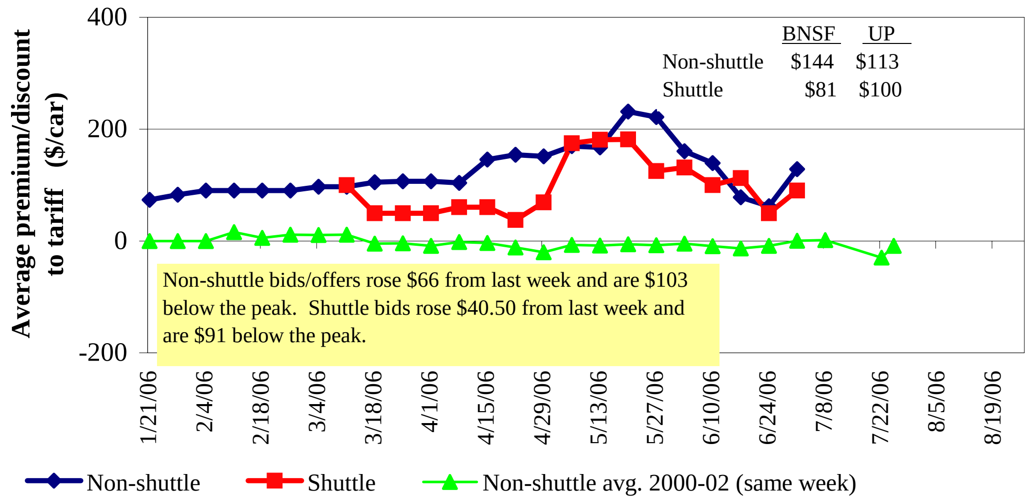
Source: Transportation & Marketing Programs/AMS/USDA. n/a = not applicable

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in August 2006, Secondary Market

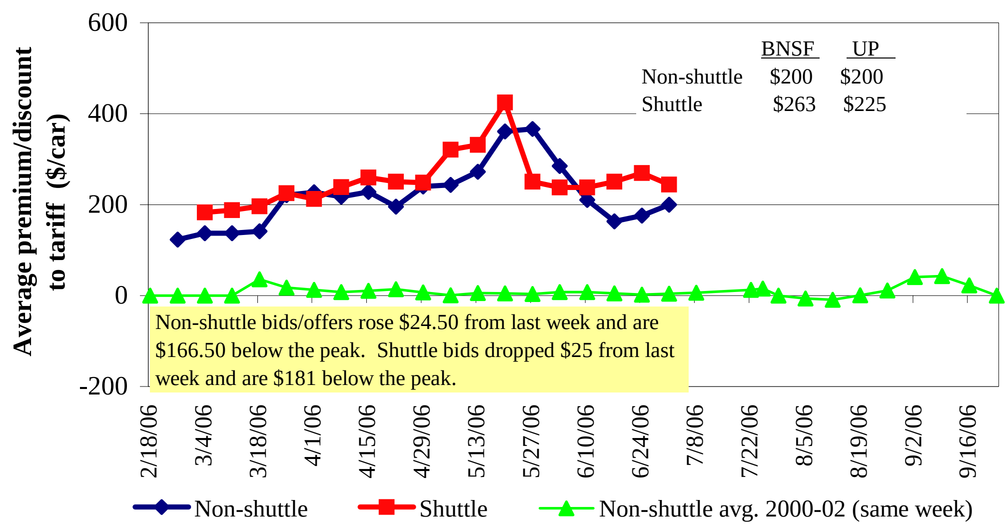


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in September 2006, Secondary Market

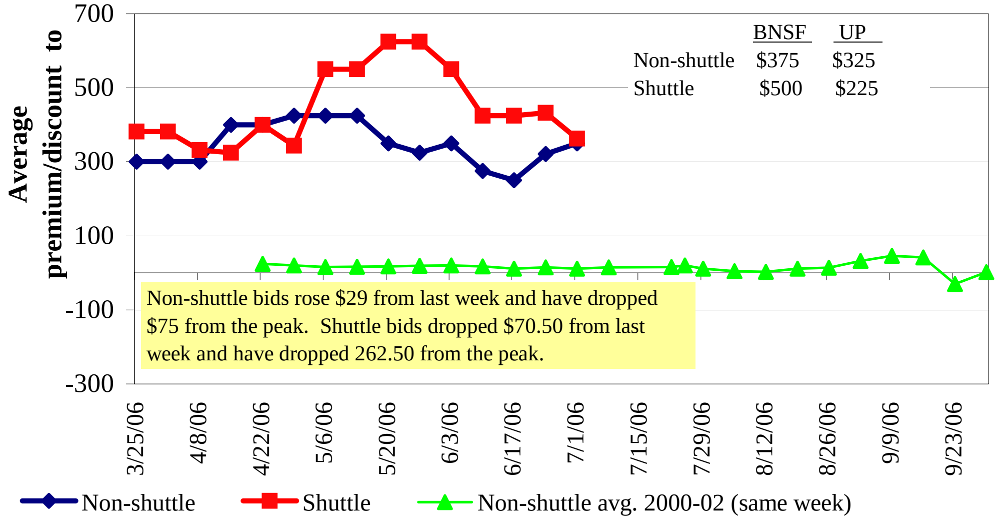


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in October 2006, Secondary Market



Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
7/1/2006	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07
Non-shuttle						
BNSF-GF	144	200	375	400	n/a	n/a
Change from last week	69	12	50	0	n/a	n/a
Change from same week 2005	-54	0	175	258	n/a	n/a
UP-Pool	113	200	325	175	n/a	n/a
Change from last week	63	37	8	0	n/a	n/a
Change from same week 2005	66	87	125	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	81	263	500	350	250	-80
Change from last week	81	-25	67	0	0	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	100	225	225	n/a	n/a	n/a
Change from last week	0	-25	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = n/a; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 7/3/2006	Origin region	Destination region	Rate/car	As % of same month last year	Rate per metric ton	Rate per bushel[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$1,861	100	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,120	105	$23.37	$0.64
	South Central, KS	Galveston, TX	$2,550	104	$28.11	$0.77
	Minneapolis, MN	Houston, TX	$3,020	125	$33.29	$0.91
	St. Louis, MO	Houston, TX	$2,460	110	$27.12	$0.74
	South Central, ND	Houston, TX	$4,149	113	$45.73	$1.24
	Minneapolis, MN	Portland, OR	$3,840	91	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	91	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,490	102	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,161	108	$23.82	$0.65
Corn	Chicago, IL	Baton Rouge, LA	$2,610	104	$28.77	$0.73
	Council Bluffs, IA	Baton Rouge, LA	$2,470	104	$27.23	$0.69
	Kansas City, MO	Dalhart, TX	$2,365	120	$26.07	$0.66
	Minneapolis, MN	Portland, OR	$3,200	89	$35.27	$0.90
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.55
	Columbus, OH	Raleigh, NC	$1,850	109	$20.39	$0.52
	Council Bluffs, IA	Stockton, CA	$3,606	100	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,655	108	$29.27	$0.80
	Council Bluffs, IA	Baton Rouge, LA	$2,515	109	$27.72	$0.75
	Minneapolis, MN	Portland, OR	$3,610	100	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.59
	Chicago, IL	Raleigh, NC	$2,561	107	$28.23	$0.77
Shuttle train[1]						
Wheat	St. Louis, MO	Houston, TX	$2,050	108	$22.60	$0.62
	Minneapolis, MN	Portland, OR	$3,640	93	$40.12	$1.09
Corn	Fremont, NE	Houston, TX	$2,196	82	$24.21	$0.61
	Minneapolis, MN	Portland, OR	$3,096	90	$34.13	$0.87
Soybeans	Council Bluffs, IA	Houston, TX	$2,412	87	$26.59	$0.72
	Minneapolis, MN	Portland, OR	$3,170	93	$34.94	$0.95

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date: 07/03/06					As % of		
Commodity	Origin state	Border crossing region	Train size[1]	Tariff rate[2]	same month last year	Rate per metric ton	Rate per bushel[3]
Wheat	KS	Brownsville, TX	Shuttle	$2,959	104	$30.23	$0.82
	ND	Eagle Pass, TX	Unit	$4,474	83	$45.71	$1.24
	OK	El Paso, TX	Shuttle	$2,235	99	$22.84	$0.62
	OK	El Paso, TX	Unit	$2,540	104	$25.95	$0.71
	AR	Laredo, TX	Unit	$2,600	109	$26.57	$0.72
	IL	Laredo, TX	Unit	$3,405	107	$34.79	$0.95
	MT	Laredo, TX	Shuttle	$3,980	93	$40.67	$1.11
	TX	Laredo, TX	Shuttle	$2,274	105	$23.23	$0.63
	MO	Laredo, TX	Shuttle	$2,840	104	$29.02	$0.79
	WI	Laredo, TX	Unit	$3,623	106	$37.02	$1.01
Corn	NE	Brownsville, TX	Shuttle	$3,543	114	$36.20	$0.92
	NE	Brownsville, TX	Unit	$3,623\4	99	$37.02	$0.94
	IA	Eagle Pass, TX	Unit	$3,773	113	$38.55	$0.98
	MO	Eagle Pass, TX	Shuttle	$3,364\4	111	$34.37	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,764\4	109	$38.46	$0.98
	IA	Laredo, TX	Shuttle	$3,696	113	$37.76	$0.96
Soybean	IA	Brownsville, TX	Shuttle	$3,318	115	$33.90	$0.92
	MN	Brownsville, TX	Shuttle	$3,614	114	$36.93	$1.00
	NE	Brownsville, TX	Shuttle	$3,127	116	$31.95	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,203	116	$32.73	$0.89
	IA	Laredo, TX	Unit	$3,357	115	$34.30	$0.93

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

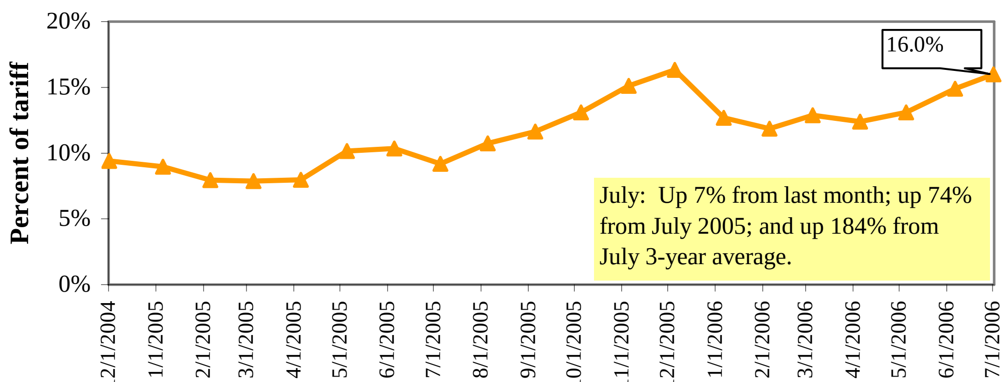
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



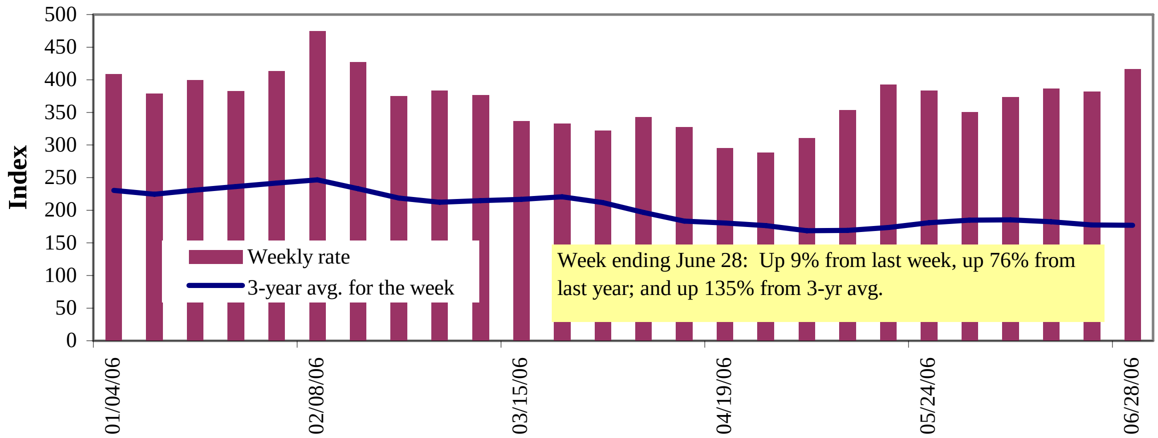
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Rate Index - Quotes[1,2]



[1] Index = percent of tariff rate; [2]4-week moving average for the 3-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Rate Quotes: Southbound Barge Freight

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Index[1]	6/28/2006	482	423	416	335	395	395	305
	6/21/2006	442	384	382	298	323	323	272
$/ton	6/28/2006	29.84	22.50	19.30	13.37	18.53	15.96	9.58
	6/21/2006	27.36	20.43	17.72	11.89	15.15	13.05	8.54
Current week % change from the same week:								
	Last year	66	73	76	95	124	117	89
	3-year avg. [2]	113	128	135	153	202	199	145
Index	July	492	438	430	361	403	403	352
	September	593	573	571	566	575	575	553

[1]Index = percent of tariff, based on 1976 tariff benchmark rate; [2]4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8). The index, along with rate quotes and futures market bids are indicators of grain transport supply and demand.

Figure 9

Benchmark tariff rates

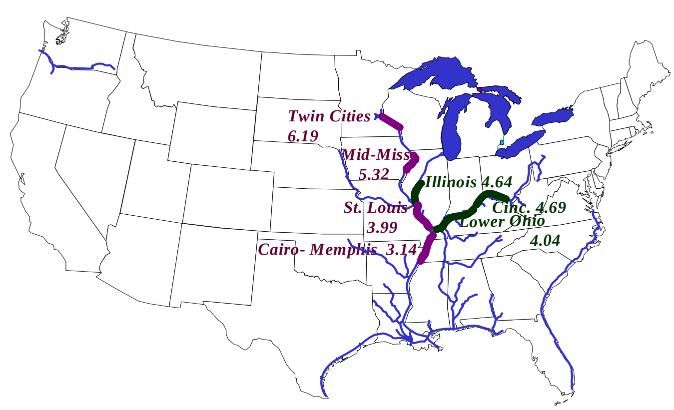
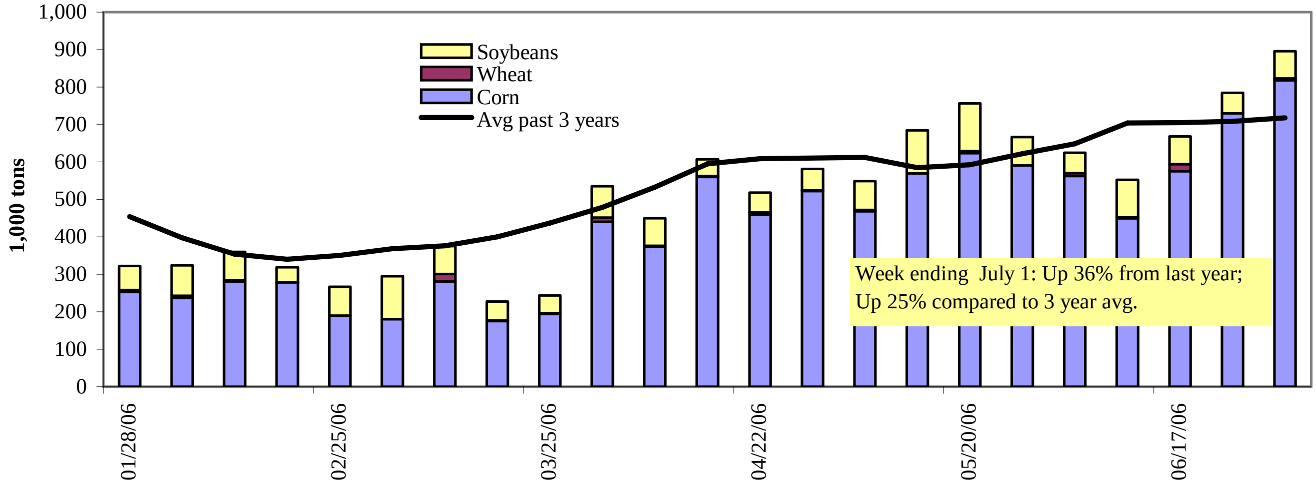


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 10

Barge Grain Movements (1,000 tons)

Week ending 7/1/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	325	2	44	0	371
Winfield, MO (L25)	582	2	57	0	641
Alton, IL (L26)	822	3	71	0	897
Granite City, IL (L27)	818	5	73	0	897
Illinois River (L8)	174	2	8	0	184
Ohio River (L52)	36	22	20	0	79
Arkansas River (L1)	0	30	6	9	44
Weekly total - 2006	854	57	99	9	1,020
Weekly total - 2005	588	50	90	24	752
2006 YTD[1]	13,197	599	3,243	369	17,408
2005 YTD	11,298	828	3,867	366	16,359
2006 as % of 2005 YTD	117	72	84	101	106
Last 4 weeks as % of 2005[2]	102	102	102	102	100
Total 2005	23,761	1,620	7,276	731	33,388

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

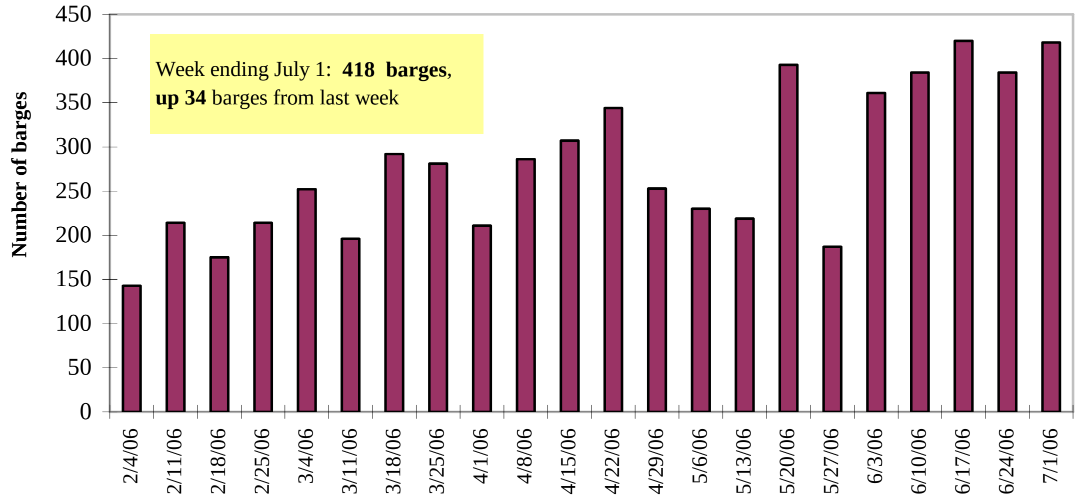
[2] As a percent of same period in 2005.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

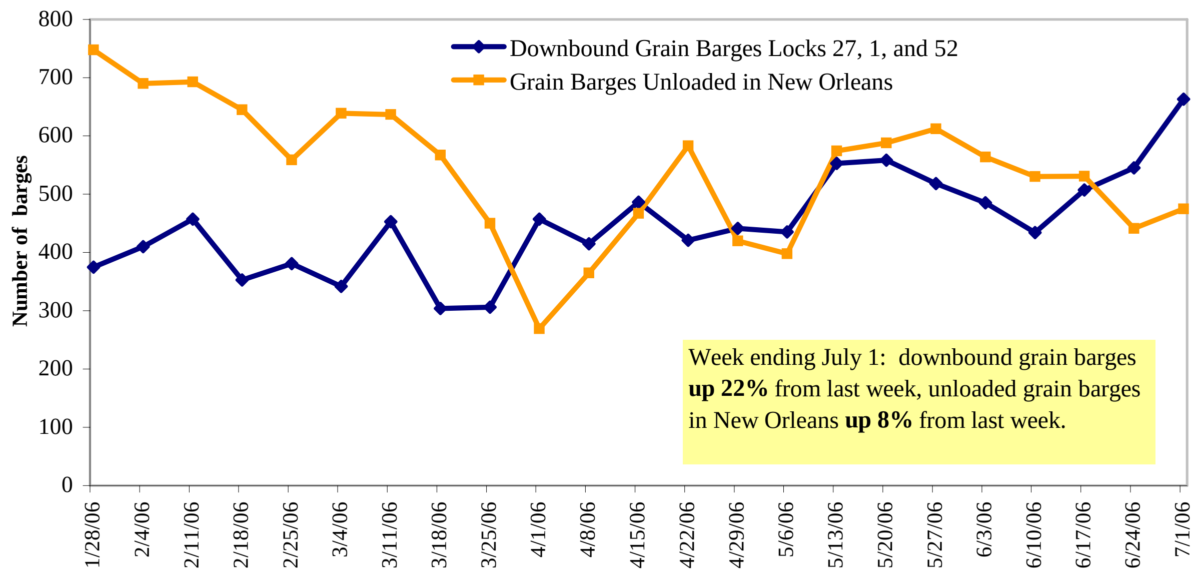
Upbound Empty Barges Transiting Mississippi River Lock 27



Source: Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 7/03/06 (US$/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	2.874	0.010	0.504
	New England	2.948	-0.004	0.463
	Central Atlantic	2.951	-0.005	0.476
	Lower Atlantic	2.834	0.018	0.519
II	Midwest[1]	2.887	0.068	0.559
III	Gulf Coast[2]	2.845	0.023	0.555
IV	Rocky Mountain	2.958	-0.002	0.630
V	West Coast	3.056	-0.012	0.589
	California	3.119	-0.021	0.565
Total	U.S.	2.898	0.031	0.550

[1]Diesel fuel prices include all taxes.

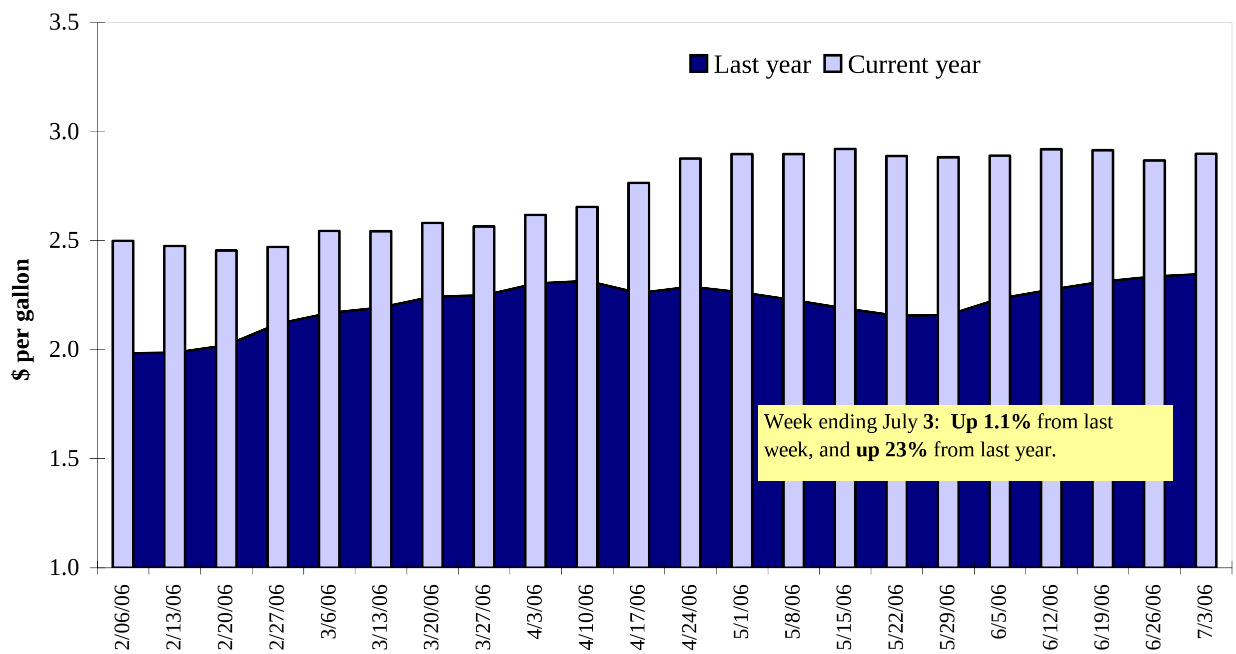
[2]Same as North Central

[3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

Week ending[1]	Wheat HRW	SRW	HRS	SWW	DUR	All wheat	Corn	Soybeans	Total
Export Balances									
6/22/2006	1,094	481	1,181	762	252	3,770	9,214	1,954	14,938
This week year ago	1,789	256	1,305	487	108	3,946	5,809	1,339	11,094
Cumulative exports-crop year [2]									
2005/06 YTD	328	177	417	258	57	1,237	42,220	22,618	66,075
2004/05 YTD	492	128	458	113	48	1,238	37,336	28,476	67,050
YTD 2005/06 as % of 2004/05	67	138	91	228	119	100	113	79	99
Last 4 wks as % of same period 2004/05	58	184	91	151	241	93	152	140	130
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

[1] Current unshipped export sales to date

[2] Shipped export sales to date, new crop year now in efect for wheat

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 06/22/06 Crop Year (CY)	Total Commitments[2] 2006/07 Next CY	2005/06 Current CY	2004/05 Last CY	% change current CY from last CY	Exports[3] 2004/05
		- 1,000 mt -			- 1,000 mt -
Japan	746	16,076	14,620	10	16,429
Mexico	243	6,443	5,704	13	6,278
Taiwan	0	4,952	4,289	15	4,690
Egypt	0	3,560	3,596	(1)	4,563
Korea	1	4,982	1,672	198	2,268
Top 5 importers	**990**	**36,014**	**29,881**	**21**	**32,143**
Total US corn export sales	**1,751**	**51,433**	**43,145**	**19**	
Top 5 importers' share of U.S. corn export sales	57%	70%	69%		
USDA forecast, June 2006	**54,610**	**51,440**	**46,078**	**12**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 06/22/06	Total Commitments[2]			% change	Exports[3]
	2006/07	2005/06	2004/05	current CY	
Crop Year (CY)	Next CY	Current CY	Last CY	from last CY	2004/05
		- 1,000 mt -			- 1,000 mt -
China	1,867	9,635	11,848	(19)	11,850
Mexico	40	3,368	3,263	3	3,579
Japan	393	2,868	3,005	(5)	3,289
Taiwan	0	1,679	1,534	9	1,585
Indonesia	0	1,136	929	22	1,079
Top 5 importers	**2,300**	**18,687**	**20,578**	**(9)**	**21,382**
Total US soybean export sales	**3,195**	**24,572**	**29,815**	**(18)**	
Top 5 importers' share of U.S. soybean export sales	72%	76%	69%		
USDA forecast, June 2006	**29,670**	**24,490**	**30,019**	**(18)**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped).

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of U.S. Wheat

Week ending 06/22/06	Total Commitments[2]		% change	Exports[3]
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
	- 1,000 mt -			- 1,000 mt -
Nigeria	195	396	(44)	3,098
Japan	736	637	16	3,061
Mexico	646	468	38	2,625
Iraq	0	158	(100)	1,237
Philippines	673	339	99	1,878
Egypt	233	168	39	1,952
Korea, South	249	224	11	1,191
Venezuela	157	174	(10)	1,085
Taiwan	199	149	33	953
Italy	149	154	(4)	748
Top 10 importers	**3,040**	**2,469**	**23**	**17,827**
Total US wheat export sales	**5,006**	**5,184**	**(3)**	
Top 10 importers' share of U.S. wheat export sales	61%	48%		
USDA forecast, June 2006	**24,490**	**27,220**	**(10)**	

(n) indicates negative number.

[1]Based on FAS 2005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 06/29/06	2006 YTD[1]	2005 YTD[1]	2006 YTD as % of 2005 YTD	Last 4-weeks as % of 2005	Last 4-weeks as % of 3-yr. avg.	Total[1] 2005
Pacific Northwest							
Wheat	194	5,616	5,085	110	209	148	10,801
Corn	284	5,099	5,161	99	106	131	10,130
Soybeans	62	2,496	3,298	76	121	132	6,225
Total	540	13,212	13,544	98	136	138	27,156
Mississippi Gulf							
Wheat	123	2,065	2,651	78	85	97	4,643
Corn	676	17,677	13,820	128	125	125	28,202
Soybeans	136	7,287	8,118	90	128	133	14,793
Total	934	27,029	24,589	110	121	123	47,638
Texas Gulf							
Wheat	44	3,105	3,011	103	40	35	7,743
Corn	0	1,203	292	411	362	887	812
Soybeans	0	15	6	260	0	0	36
Total	44	4,323	3,309	131	54	49	8,591
Great Lakes							
Wheat	18	474	752	63	69	97	2,067
Corn	58	586	233	252	207	219	796
Soybeans	0	38	27	140	0	93	828
Total	76	1,1098	1,012	108	123	143	3,691
Atlantic							
Wheat	0	153	97	158	189	300	301
Corn	0	327	48	678	269	808	249
Soybeans	0	298	419	71	n/a	150	801
Total	0	779	564	138	209	252	1,352
U.S. total from ports[2]							
Wheat	378	11,413	11,595	98	85	92	25,556
Corn	1,018	24,892	19,555	127	146	140	40,189
Soybeans	197	10,135	11,868	85	96	128	22,683
Total	1,593	46,440	43,018	108	122	126	88,428

[1] Includes weekly revisions

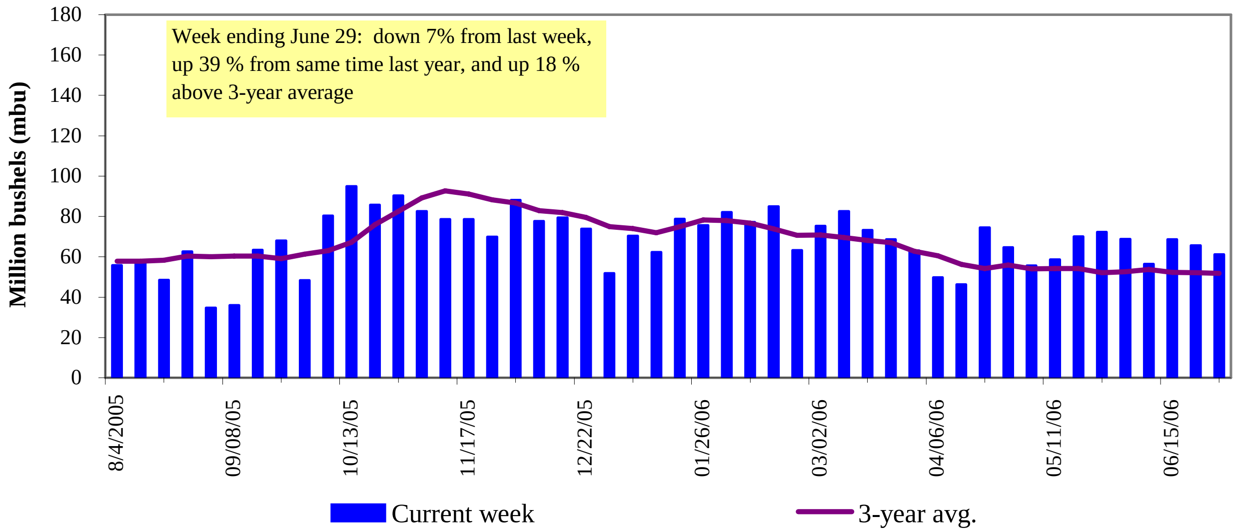
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

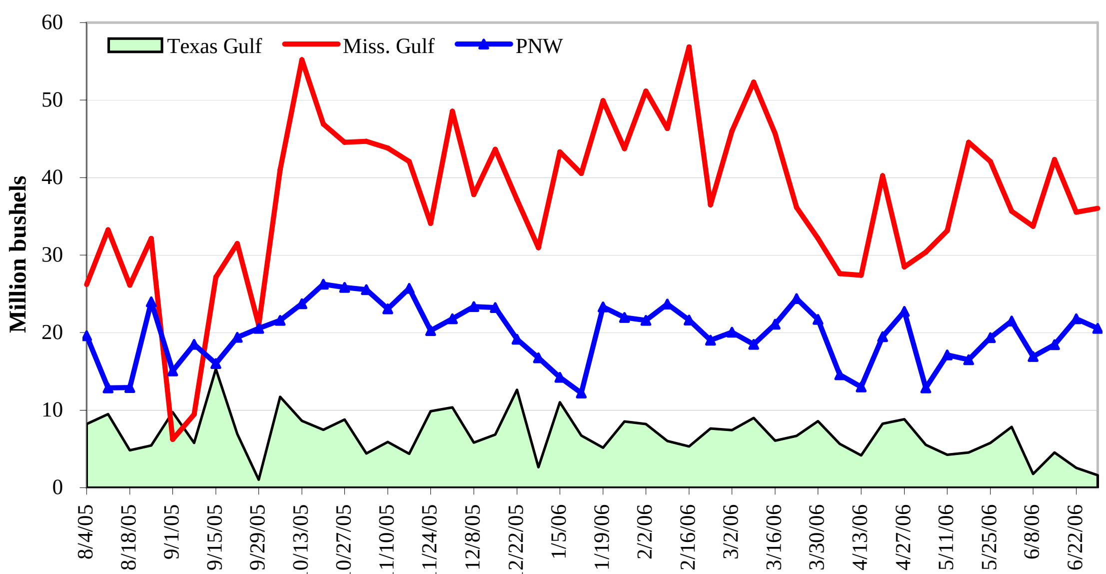


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

June 29, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 1	down 37	down 1	down 6
Last year (same week)	up 67	down 67	up 42	up 41
3-yr avg. (4-wk run. avg)	up 20	down 70	up 6	up 46

Ocean Transportation

Table 17

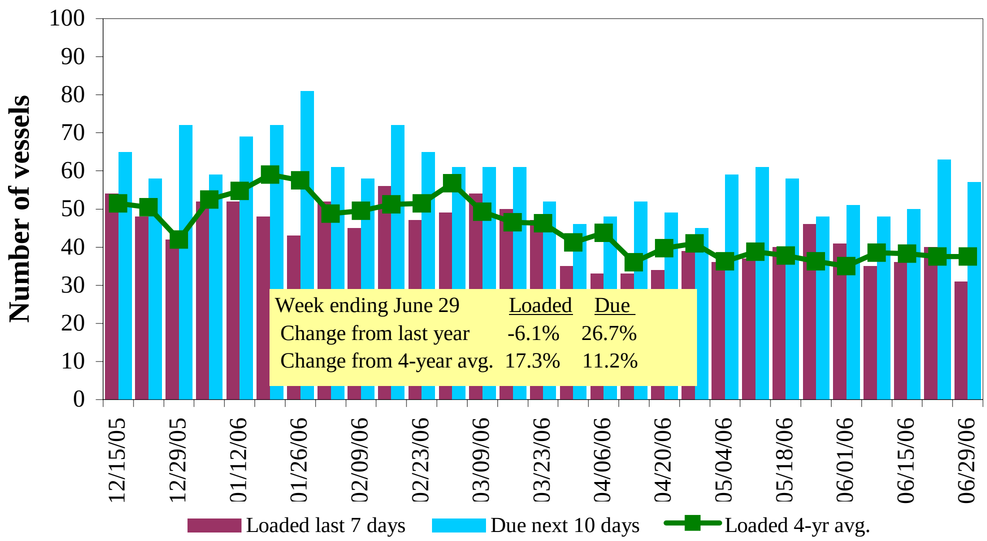
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
6/29/2006	23	31	57	7	5
6/22/2006	17	40	63	7	6
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf[1] Vessel Loading Activity, 2005/06

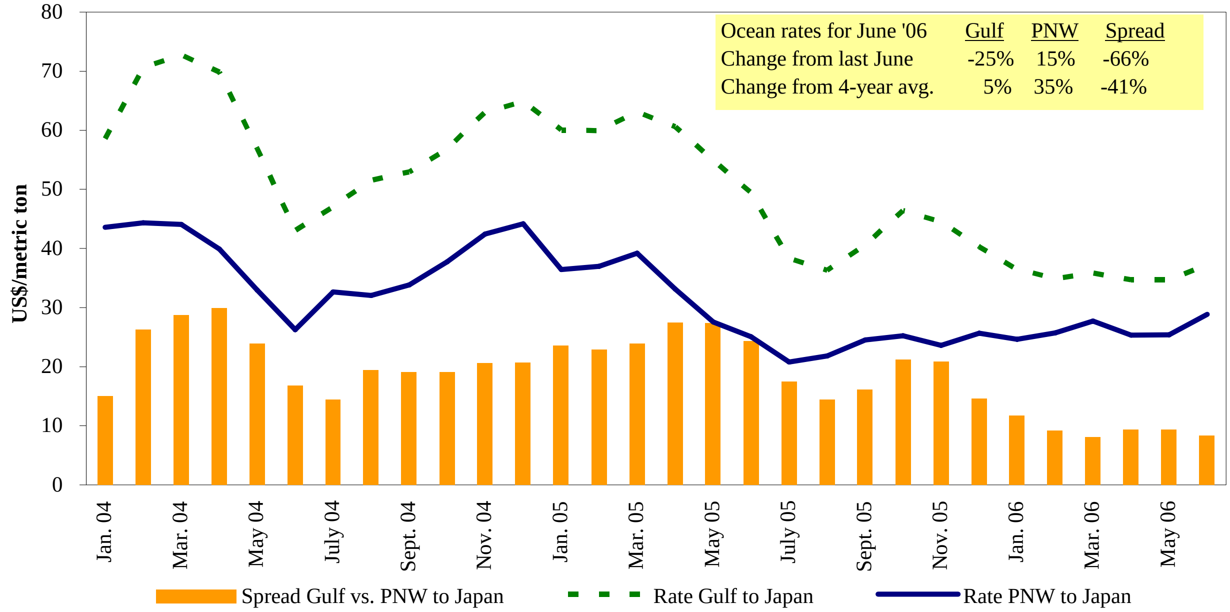


Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 7/01/06

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	South Korea	Hvy Grain	Jul 5/10	55,000	36.00
Ukraine	Morocco	Hvy Grain	Jun 19/26	20,000	20.00
United Kingdom	Thailand	Wheat	Feb 25/Mar 10	42,000	21.50
Gt Lakes/St. Lawrence	Jordan[1]	Wheat	Jun 15/30	22,709	54.50
Australia	Germany	Canola	Apr 15/30	55,000	34.00
Brazil	N. France	Grains	Mar 12/20	25,000	26.00
River Plate	Algeria	Hvy Grain	Jun 20/30	20,000	44.75
River Plate	Algeria	Hvy Grain	May 20/25	25,000	37.00
River Plate	Poland	Hvy Grain	May 20/ Jul 10	30,000	42.00
River Plate	Poland	Hvy Grain	May 20/30	30,000	42.00

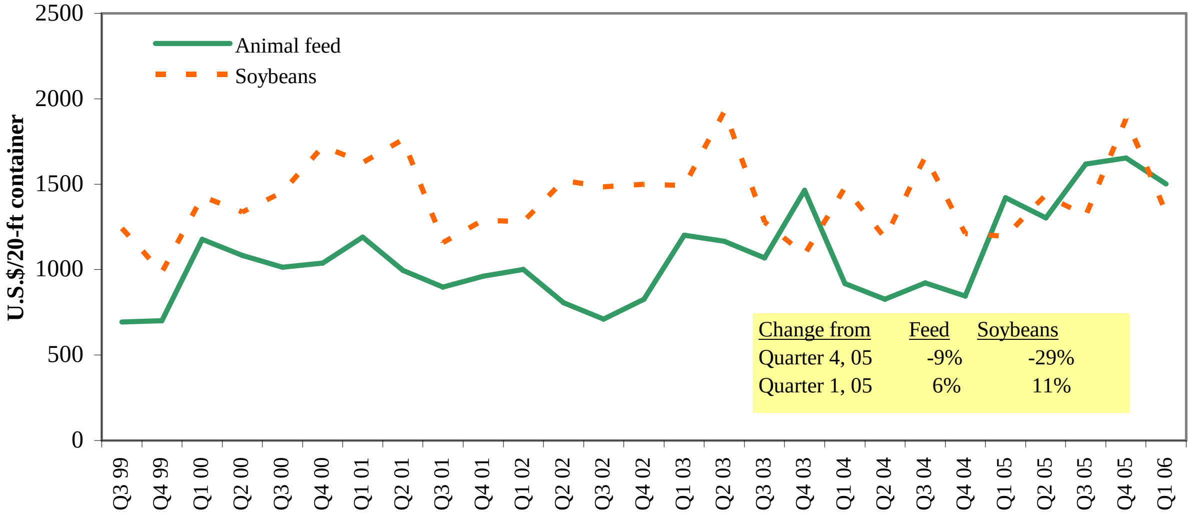
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

[1]75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18

Ocean Rates[1] for Containerized Shipments to Selected Asian Countries



[1]Rates are weighted by shipping line market share and destination country.

Countries include: Animal Feed: Busan-Korea (7%), Kaohsiung-Taiwan (42%), Tokyo-Japan (28%), Hong Kong (13%), Bangkok-Thailand (10%) and soybeans: Busan-Korea (1%), Keelung-Taiwan (81%), Tokyo-Japan (17%), Bangkok-Thailand (<1%), Hong Kong (1%)

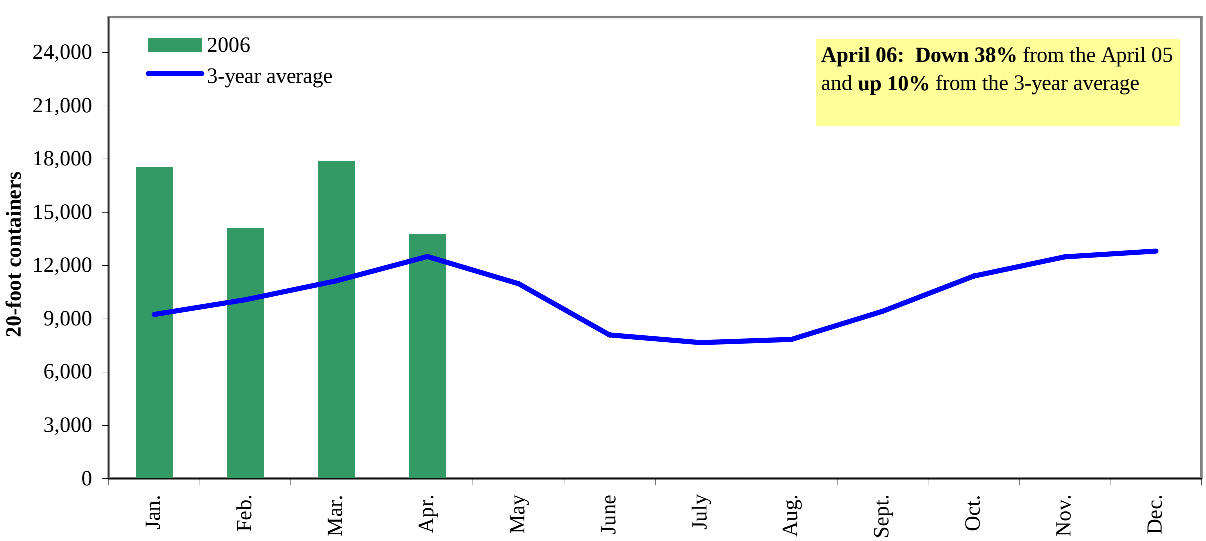
Source: Ocean Rate Bulletin, Quarter 1, 2006, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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